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The Aluminum Situation

Seasons Greetings

DEPARTMENT OF ECONOMICS AND STATISTICS

DECEMBER 1988

The Aluminum Situation

INDUSTRY SHIPMENTS INCREASE 1.7% THRU OCTOBER 1988

Total industry net shipments for ten months of 1988, reported at 13,787 million pounds, were up 1.7 percent from the ten month 1987 total of 13,551 million pounds.

Domestic shipments of 12,410 million pounds were down 1.1 percent from the ten month 1987 total of 12,554 million pounds.

Exports of ingot and mill products of 1,377 million pounds were up 38.1 percent from ten months of 1987 while imports declined 12.0 percent for the same period.

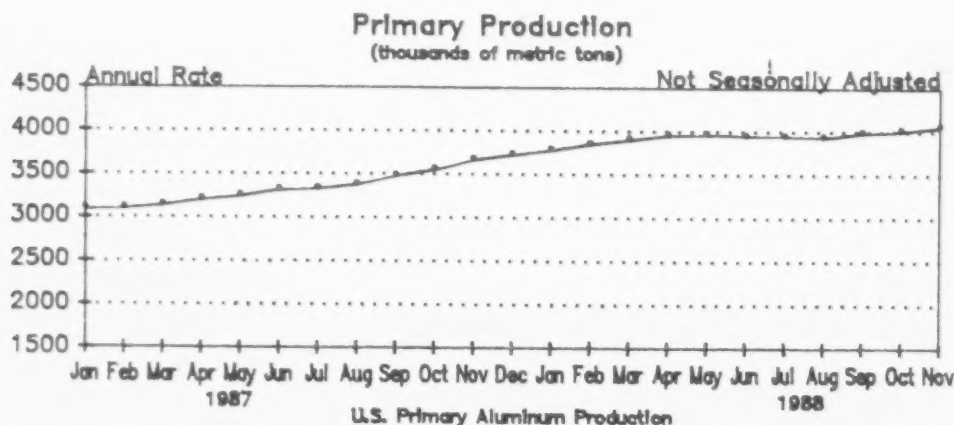
	1988 10 Mos.	1987 10 Mos.	% Change
Mill Products	11,222	10,977	2.2
Ingot	2,564	2,574	-0.4
Total	13,787	13,551	1.7
Less Exports	1,377	997	38.1
Domestic Total	12,410	12,554	-1.1

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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PRIMARY PRODUCTION DAILY RATE 11,075 METRIC TONS

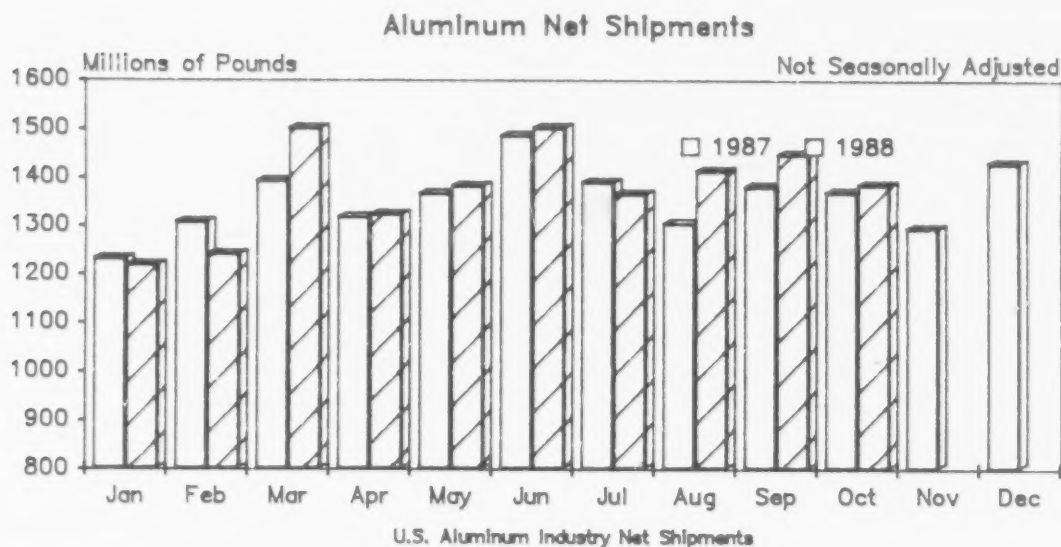
U.S. primary aluminum production averaged 11,075 metric tons daily during November 1988. This compares with an average of 10,025 metric tons a day in November 1987 and 10,949 metric tons a day in October 1988. The annual rate of production in November 1988 was 4,053,511 metric tons compared with 3,659,259 metric tons in November 1987 and 4,007,216 metric tons in October 1988. Actual production in November 1988 was 332,255 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

INDUSTRY NET SHIPMENTS INCREASE 1.7 PERCENT

Total industry net shipments for ten months of 1988, estimated at 13,787 million pounds, were up 1.7 percent from the ten month 1987 total of 13,551 million pounds. Domestic shipments of 12,410 million pounds were down 1.1 percent from the ten month 1987 total of 12,554 million pounds.

NET SHIPMENTS
(Millions of Pounds)

	1988 * October	1987 October	1988 10 Mos.	1987 10 Mos.	% Change 1988 vs 1987
Sheet	576.0	591.0	6,013.5	5,893.0	2.0
Plate	25.0	21.6	252.7	224.3	12.6
Foil	76.0	77.2	763.6	726.9	5.1
Rod, Bar & Wire	25.0	32.7	228.4	312.6	-26.9
Elec. Conductor	62.0	53.8	587.5	526.0	11.7
Extruded Shapes, Tube	245.0	241.1	2,378.3	2,343.1	1.5
Powder & Paste	7.0	6.7	68.1	76.7	-11.2
Forgings & Impacts	16.0	14.0	143.6	132.7	8.2
Net Imports of Mill Products (Total) (a)	68.8	80.9	786.7	742.0	6.0
Total Mill Products	1,100.8	1,118.9	11,222.3	10,977.3	2.2
Ingot	285.0	251.2	2,564.2	2,573.7	-0.4
TOTAL INDUSTRY SHIPMENTS	1,385.8	1,370.1	13,786.6	13,551.0	1.7
Exports	132.1	97.0	1,376.8	996.9	38.1
TOTAL DOMESTIC SHIPMENTS	1,253.7	1,273.1	12,409.8	12,554.1	-1.1

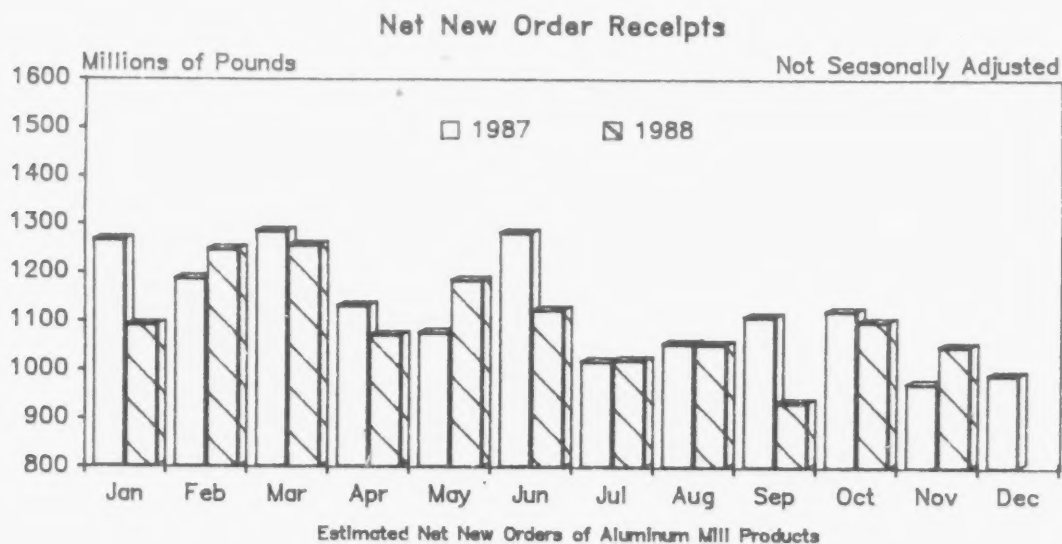
Source: Bureau of the Census, U.S. Department of Commerce

(a) Not included in product data above.

(*) Estimated by the Aluminum Association

NET NEW ORDER RECEIPTS DOWN 3.0 PERCENT

Estimated net new order receipts of aluminum mill products for eleven months of 1988, totaling 12,141 million pounds, declined 3.0 percent from the eleven month 1987 total of 12,514 million pounds. Total net new orders of aluminum mill products for the month of November 1988 decreased to 1,051 million pounds, down 4.5 percent from the October 1988 total of 1,101 million pounds.



ORDER RECEIPTS (Millions of Pounds)

	1988 November	1987 November	1988 11 Mos.	1987 11 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	340.7	370.8	4,093.7	4,842.4	-15.5
Can Stock	279.9	224.6	3,625.3	3,200.4	13.3
Foil	113.0	100.1	955.8	990.2	-3.5
Bar, Rod & Wire	37.1	36.1	416.9	389.1	7.1
Electrical Conductor	62.0	58.0	752.2	602.5	24.8
Extruded Shapes & Tube	191.0	165.9	2,044.6	2,251.3	-9.2
Powder & Paste	15.3	7.6	111.2	95.5	16.4
Forgings & Impacts	12.1	11.6	141.6	142.3	-0.5
Total Mill Products	1,051.1	974.7	12,141.3	12,513.7	-3.0

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES INCREASE 6 MILLION POUNDS

Producer inventories increased in October 1988 to an estimated total of 4,204 million pounds. This represents a 6 million pound rise from the September 1988 level of 4,198 million pounds.

Month-End Aluminum Producer Inventories By Type of Producer (Figures in Millions of Pounds)

	<u>Total</u>	<u>Ingot</u>	<u>Scrap</u>	<u>All Other</u>
July	4,272	1,370	672	2,230
August	4,213	1,310	743	2,161
September	4,198	1,346	735	2,116
October *	4,204	1,365	670	2,169

Source: Bureau of the Census, U.S. Department of Commerce.
Note (*) Estimated by the Aluminum Association

CUSTOMER INVENTORIES REPORTED AT 35.1 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of October 31, 1988 was 35.1, down 3.8 percent from September 1988.

Month-End Aluminum Consumer Inventories (Average Number of Days)

June	36.4
July	36.8
August	36.7
September	36.5
October	35.1

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports (Millions of Pounds)

	<u>1988 October</u>	<u>1987 October</u>	<u>1988 10 Mos.</u>	<u>1987 10 Mos.</u>	<u>% Change 1988 vs 1987</u>
Imports					
Mill Products	73.4	92.1	828.7	834.4	-0.7
Ingot	180.0	248.1	1,963.4	2,337.8	-16.0
Total	253.5	340.2	2,792.1	3,172.2	-12.0
Scrap (+ dross)	46.9	34.3	390.5	358.9	8.8
Grand Total	300.4	374.5	3,182.5	3,531.2	-9.9
Exports					
Mill Products	75.5	51.6	712.8	519.4	37.2
Ingot	56.6	45.4	664.0	477.5	39.1
Total	132.1	97.0	1,376.8	996.9	38.1
Scrap	90.4	62.9	855.2	681.6	25.5
Grand Total	222.5	160.0	2,231.9	1,678.5	33.0
Net Imports	77.9	214.6	950.6	1,852.7	-48.7

Source: Bureau of the Census, U.S. Department of Commerce.